

**AMENDED AND RESTATED
PUBLIC OFFERING STATEMENT**

file copy

SOCIETY HILL AT UNIVERSITY HEIGHTS III

**71 WICKLIFFE STREET
NEWARK, NEW JERSEY**

Filed and Presented By

**K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.**

**65 Jackson Drive
P.O. Box 1191
Cranford, NJ 07016-1191**

NOTICE TO PURCHASERS

THIS PUBLIC OFFERING STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY. PURCHASERS SHOULD ASCERTAIN FOR THEMSELVES THAT THE PROPERTY OFFERED MEETS THEIR PERSONAL REQUIREMENTS. THE NEW JERSEY DIVISION OF HOUSING AND DEVELOPMENT HAS NEITHER APPROVED NOR DISAPPROVED THE MERITS OF THIS OFFERING. BE SURE TO READ CAREFULLY ALL DOCUMENTS BEFORE YOU SIGN THEM.

The Effective Date of this Offering Statement is: June 7, 1990

**This Offering Statement was amended on:
December 19, 1990, May 24, 1991, September 3, 1992
and on _____, 1995**

Registration Number: R2980

THIS PUBLIC OFFERING STATEMENT HAS BEEN FILED AND IS PRESENTED PURSUANT TO THE PLANNED REAL ESTATE FULL DISCLOSURE ACT (N.J.S.A. 45:22A-21 ET SEQ.) AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER (N.J.A.C. 5:26-1.1 ET SEQ.)

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KHOV045951

SPECIAL RISKS

Redevelopment Contract Conditions

The Condominium being constructed is an urban renewal project. If the Developer does not construct the various Phases of the complex as intended, title to the undeveloped portion of the complex may "revert" to the City of Newark under certain conditions. See Section C and O of the narrative of the Public Offering Statement.

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FOREWORD

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A New Jersey Corporation (which will be referred to in this document at the "Developer"), hereby presents its Amended and Restated Public Offering Statement for condominium ownership of the buildings and other improvements to be constructed on land located in the City of Newark, County of Essex, State of New Jersey. The condominium so established shall be known as SOCIETY HILL AT UNIVERSITY HEIGHTS III, A CONDOMINIUM (it will be referred to in this document as the "Condominium"). This Public Offering Statement is intended only as a summary of the main features proposed by the Developer, and of the legal documents required for the creation of the Condominium.

Because of the complexity and interdependence of those legal documents, all of the Developer's sales and other representatives are prohibited from changing any of the terms and conditions hereof or attempting to interpret their legal effect.

You are urged to consult your own counsel in connection with a review of these documents. Your counsel, in turn, should contact the Developer's counsel to discuss any questions you have.

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YOU HAVE THE RIGHT TO CANCEL ANY CONTRACT OR AGREEMENT FOR THE PURCHASE OF ANY LOT, PARCEL, UNIT OR INTEREST IN THIS DEVELOPMENT, WITHOUT CAUSE, BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER OR HIS AGENT BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH THE CONTRACT OR AGREEMENT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED.

BE SURE TO READ CAREFULLY ALL DOCUMENTS BEFORE YOU SIGN THEM.

KHOV045955

SECTION A. NAME AND PRINCIPAL ADDRESS OF THE DEVELOPER

THE DEVELOPER OF SOCIETY HILL AT UNIVERSITY HEIGHTS III, A CONDOMINIUM IS K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., a Corporation of the State of New Jersey, with headquarters at 65 Jackson Drive, P.O. Box 1191, Cranford, New Jersey 07016-11911. The Developer is a wholly owned subsidiary of K. Hovnanian Developments of New Jersey, Inc., with headquarters at 10 Highway 35, P.O. Box 500, Red Bank, New Jersey 07701.

SECTION B. THE INTEREST BEING OFFERED

The Developer is offering for sale condominium dwelling units ("Units") consisting of two and three and possibly one bedrooms in two story townhouse over two story townhouse Units in three story buildings above ground level, two story townhouse Units over a garage level, two story townhouse over one story flat Units over a garage level in three story buildings above ground level and three story townhouse with garage Units. One parking space will be assigned to each non-garage Unit as a Limited Common Element at no charge to the owner. A total of 211 non-garage Unit parking spaces will be so assigned if the complex is completed as currently planned. Parking for garage Units will be within the Unit and on that Unit's adjacent driveway area which is a portion of the Limited Common Elements. Additionally, up to 9 handicapped and 121 other parking spaces will remain unassigned and randomly disbursed throughout the project under the proposed plans. Approximately 57 of those parking spaces will be limited to use by people frequenting the recreation and club house facilities to be used by owners of homes in all of the Society Hill at University Heights condominium complexes. Under the Condominium form of ownership, an owner of a Unit ("Owner") owns the area encompassed by the undecorated interior surfaces of the exterior walls, floor and ceilings of the particular Unit, in fee simple. Units are therefore transferable by Deed as any other real property and can be mortgaged. In addition to the ownership of the area encompassed by a Unit, the Owner also owns an undivided proportionate part of all of the common property ("Common Elements") in the Condominium.

The items ordinarily considered Common Elements are the lands upon which all the buildings in the Condominium are located, building foundations, party walls, roofs, load bearing interior walls, central services, hallways and stairs servicing more than one Unit, parking areas, walkways and landscaped and recreation areas and facilities within the Condominium. For a statutory definition of "Common Elements", refer to N.J.S.A.46:8B-3(d). Limited Common Elements mean those Common Elements which are for the use of one or more specified Units to the exclusion of other Units, N.J.S.A. 46:8B-3K. Items ordinarily considered Limited Common Elements are the land and areas upon which driveways, parking spaces, patios and decks are located.

When an Owner sells his interest in his Unit, he conveys both the living space occupied by him and his undivided interest in the Common Elements. No Unit is subject to the lien of any mortgage placed by any other Owner on other Unit(s). Each Unit may also be subject to liens for any unpaid common charges attributable solely to that Unit. Each Unit, along with its proportionate interest in the Common Elements will be taxed as a private tax lot for real estate tax purposes, just as a private home is. Each Owner will be responsible for the payment of tax abated real estate taxes and related charges on his Unit.

The Board of Trustees of the Society Hill at University Heights Condominium Association III, Inc. ("Association") governs the Condominium. It assesses charges against each Unit for maintenance of the Common Elements and for the operating costs of the Condominium, pursuant to the Association's Bylaws. No Unit Owner may exempt himself from the payment of any of the common charges by non-use of the Common Elements. Each Unit Owner shall be responsible for payment of all utilities used within his

Unit. Utility charges for the Common Elements will be billed to the Association and paid as part of the common charges.

SECTION C. DESCRIPTION OF DEVELOPMENT

The Condominium is located in the University Heights section of Newark, New Jersey. The City of Newark's University Heights Redevelopment Plan and its Zoning Ordinance govern the permitted land uses in this area. The land on which the complex will be built is to be acquired by Developer from the City of Newark in segments as construction goes forward.

Society Hill at University Heights III, a Condominium, is an "expandable condominium". This means the Developer will acquire the land, construct and declare the Units and Common Elements to be in the Condominium regime in "Phases". To do so, the Developer has retained the right to amend the Master Deed to increase the number of Units, parking spaces and areas of land in the Condominium, thereby decreasing voting rights of Unit Owners and their undivided percentage interest or share of the Limited Common and Common Elements of the Condominium and their percentage share of expenses for maintenance accordingly. This right expires when all Condominium Units dedicated to the Condominium regime are sold, or seven years from the recording of the Master Deed, whichever occurs first. The purpose of this phasing is to enable the Developer to meet conditions imposed by lenders in the secondary mortgage market. This in turn serves to increase the types of mortgages available to purchasers. The phasing plan does not limit the Developer's ability to offer for sale all Units in this complex.

As of the date of this Amended and Restated Offering Plan, 385 Units comprising phases 1 through 14, Phases 17 through 27 and Phases 31 through 33, 35 and 36 of the Condominium have been declared to be within the condominium regime. These Phases also include the clubhouse, swimming pool, tot lot and tennis courts discussed herein. Before the Developer closes title on the sale of any additional Units in Phases 15, 16, 28 through 30, 34, or 37, the Developer will have obtained all necessary governmental approvals to construct in those Phases up to an additional 86 Units and other facilities to be located within the University Heights Redevelopment Plan areas Sites B, E and C which comprise approximately 20.251 acres of land. Before the Developer closes title on the sale of any Units remaining to be added to the Condominium regime it will have closed title on the land within each respective Phase from the City of Newark pursuant to those parties contract. Sites E and C contain Phases 15 through 37 and Site B contains Phases 1 through 14 of Society Hill at University Heights III. See Document 10. If all of Sites E and C are so developed; their Units, Limited Common Elements and Common Elements will become part of and incorporated into Society Hill at University Heights III, a Condominium. If all these Sites are developed, the maximum number of Units which could be constructed and declared as part of this Condominium is 471 Units.

The construction on Sites E and C may consist of two and three and possibly one bedroom types of varying square footages. Units will be either two story townhouse Units over two story townhouse Units in buildings of three stories above ground level or two story townhouse Units over a garage level or two story townhouse over one story flat Units over a garage level in three story buildings above ground level and three story townhouse with garage Units. Ingress and egress to Phases 1 through 14 is from Wickliffe Street and Richmond Street. Access to Phases 15 thru 37 of the complex will be from Wickliffe, Norfolk and Warren Streets. See Document 10. All of the above named streets are public streets owned and maintained by the City of Newark. All streets within the condominium boundaries will be privately owned, built to municipal specifications and maintained by the Association. Landscaping and grass areas in the Common Elements will be watered by an automated underground sprinkler system.

To date the Condominium consists of 385 Units which have been submitted to the Condominium regime. Purchasers of these Units acquired a 0.2597% undivided percentage interest in the Limited Common Elements and Common Elements of the Condominium. Ultimately, if sales and financing conditions

permit, the additional Phases will be added until the Condominium achieves a total size of 471 Units. As the additional Phases and their anticipated 100 Units are added to the Condominium, the percentage interest will be reduced accordingly until each Unit Owner owns a 0.2123% undivided percentage interest in the Limited Common Elements and Common Elements of the Condominium. The Developer, however, is under no obligation to expand the Condominium beyond its current 365 Units. At all times the undivided percentage interest of each Unit in the Limited Common Elements and Common Elements will be equal and will be a fraction with the numerator of one over a denominator which is equal to the total number of Units within the Condominium.

The Developer has retained the right to amend the Master Deed so as to increase the number of Units and area of lands in the Condominium, thereby decreasing voting rights, the percentage of Limited Common and Common Elements, and the proportionate share of expenses for maintenance of each Unit accordingly. This right expires when all 471 Condominium Units are sold, or 7 years from the recording of the Master Deed, whichever occurs first.

The City of Newark has reserved a strip of land approximately 5 feet wide along Norfolk and Warren Streets. Title to this land may be taken by the City to increase the width of Norfolk and Warren Streets at some unknown time in the future.

As explained above, the Condominium may be expanded from time to time in the future to include additional Phases. The additional Phases (which may not necessarily be added in numerical order or with the number of Units stated below) are as follows:

<u>Phase #</u>	<u>Bldg. No.</u>	<u>Total No. of Units</u>	<u>Estimated Completion Date*</u>	<u>Estimated Closing Date*</u>
1	05	8	12/15/90	1/1/91
2	06	8	12/15/90	1/1/91
3	041	8	12/15/90	1/1/91
4	03	20	12/15/90	1/1/91
5	042	8	1/15/91	2/1/91
6	02	20	8/15/91	9/15/91
7	01	19	7/6/92	7/21/92
8	12	12	11/15/92	12/15/91
9	13	12	6/8/92	6/23/92
10	11	12	1/1/92	2/15/92
11	10	12	12/1/92	1/15/93
12	09	12	2/1/93	3/15/92
13	08	24	3/1/92	3/15/92
14	07	24	4/15/92	5/1/92
25	24	24	2/1/93	2/15/93
22	21	12	1/15/93	2/1/93
21	20	6	1/15/93	2/1/93
19	18	6	7/30/93	7/30/93
20	19	12	2/18/93	2/18/93
17	16	6	1/18/94	1/18/94
18	17	12	1/17/94	1/17/94
24	23	12	5/1/94	5/15/94
15	14	20	10/15/96	10/15/96
16	15	11	8/15/96	8/15/96
23	22	28	2/28/94	2/28/94
26	25	12	9/15/94	10/1/94
27	26	12	10/15/94	10/28/94
32	31	12	1/31/95	2/15/95
31	30	12	11/1/94	11/15/94
33	32	20	2/15/95	3/15/95
28	27	11	7/15/96	7/15/96
29	28	11	6/15/96	6/15/96
30	29	11	4/15/96	4/1/96
37	33	11	2/15/96	2/15/96
34	34	11	1/15/96	1/30/96
35	Recreation Facilities		5/1/94	5/1/94
36	Recreation Facilities		5/1/95	5/1/95

*The estimated completion and closing dates listed above are the Developer's good faith estimates only. These dates are not intended, nor can they be construed as firm dates. Developer cannot now estimate when the City of Newark will convey the Phases to Developer. The actual closing date for a particular Unit is controlled by the Terms and Conditions contained in the Purchase Agreement for each Unit.

At present, for Phase 15 through 37, there are plans for 9 model types, some of which differ from the 7 model types offered in Phases 1 through 14. Copies of the floor plans are attached in Document 6 and as exhibits to the Master Deed. As market conditions dictate, additional and different models may be offered.

Developer reserves to itself and its affiliates the rights to lease any Unit and to grant the tenant a right to purchase the Unit at a later date.

In addition to developing Society Hill at University Heights III, an affiliate of the Developer has completed construction and sales of 168 residential unit condominiums known as Society Hill at University Heights I, a Condominium on Site A of the University Heights Redevelopment Plan area (to the South of Site B). It has its own separate condominium association, Society Hill at University Heights Condominium Association I, Inc. Another affiliate of the Developer has completed construction and sales of the first 164 condominium units on Site D (to the South of Site A). That condominium may be expanded to include other lands and the number of units increased accordingly up to approximately 548 Units. It is known as Society Hill at University Heights II, a Condominium. It is governed by Society Hill at University Heights Condominium Association II, Inc. In addition to the construction of the Site D condominium units, affiliates of the Developer may construct on Site D approximately 100,000 square feet of commercial/retail space which may include a supermarket or department store and other retail facilities. The area within which the commercial/retail construction will take place is bordered by Rankin Street, Irvine Turner Boulevard, South Orange and Springfield Avenues. It is located to the West of the Site D residential condominium units. If they are constructed, the affiliates of the Developer estimates that the construction of these facilities will be substantially completed in 1996. The Association will not govern these other residential condominiums or the commercial/retail area and Unit Owners will have no ownership or other interest in these complexes.

The Condominium will contain an underground stormwater detention system installed under portions of the Common Elements. The detention system collects stormwater runoff and slows its dispersal through the city's storm sewers. The maintenance of the detention system is the responsibility of the Condominium Association and is within its annual budget.

An affiliate of the Developer also constructed a community building facility and an outdoor swimming pool of the approximate size of 52x80 feet and a tot lot with approximately 55 parking spaces within Phase 35 and will construct two tennis courts within Phase 36. The Developer presently anticipates that construction of the two tennis courts will be substantially completed in the Spring/Summer of 1995 (assuming all Phases are completed in a timely manner). All recreation facilities will be used exclusively by the resident Owners and tenants and their guests of Society Hill at University Heights I, a Condominium; Society Hill at University Heights II, a Condominium; Society Hill at University Heights III, a Condominium and any other condominium complex Developer or its Affiliates construct in the University Heights area of Newark. This recreation area will be maintained and administered on a pro-rata basis by the Owners in this Condominium and the other separate condominiums. The Developer may also participate with the City of Newark and/or other community organizations in constructing other recreation facilities for use as a community wide facility on or near one of the Sites being developed. If these other recreation facilities are constructed as a community wide facility, the Condominium and the separate condominiums on Sites A and D, together with various other community groups within the University Heights area of Newark who may use same will participate in the overall pro-rata expense of administering, operating and maintaining them.

Regardless of if the community wide facility is constructed, all Unit Owners throughout the Society Hill at University Heights condominium complexes shall be members of the University Heights Community Building Association ("UHCBA"). The UHCBA has the right to assess common expenses upon its members for their share of either the total cost of administration, operation and maintenance of the community building and recreation facilities for its member's pro-rata share of the administration, operation and maintenance costs of the community wide facility. Such charges will be paid by Unit Owners through the separate budgets of each condominium association. Any income generated by the possible rental of portions of the community building or community wide facility (which cannot now be estimated) may be used by the UHCBA to defray the common expense assessments required to be paid by UHCBA's members. The administration and governance of the UHCBA shall be the responsibility of its Board of Directors which will be comprised of directors to be separately elected from the members or designated by the boards of trustees of each of the separate Society Hill at University Heights condominium associations. The UHCBA shall be a separate entity from the condominium associations which will govern and service the respective condominium developments. Document 18 contains the By-Laws and Declarations of Covenants and Restrictions pertaining to the UHCBA and Units as well as the current Budget for the UHCBA. The UHCBA budget will be affected based upon the total number of units constructed in all of the Society Hill at University Heights complexes and the level of services provided by the UHCBA.

Affiliates of the Developer has constructed a park on land owned by the City of Newark at the intersection of Springfield and South Orange Avenues to the East of Society Hill at University Heights II, a Condominium (Site D) and may construct another park on land to be owned by either the Unit Owners within that Condominium or the City of Newark near the intersection of Court Street, Springfield Avenue and Irvine Turner Boulevard. See Document 10. These parks will be aesthetically maintained by the UHCBA. The expenses to aesthetically maintain the Springfield and South Orange Avenue park is within its budget.

If the City of Newark and/or other public bodies make land in the vicinity of the Condominium (which may be owned by others) available for the construction of temporary or permanent childrens' playground or other recreational facilities, the Developer may participate or otherwise assist in the creation of same. This park may consist of swings, jungle gym, sand box and possibly other equipment and may be of an approximate size of 75 feet by 75 feet. If the necessary land is made available, the facilities constructed and, if requested by the City of Newark; the Condominium Association will participate in maintaining this park together with the condominium association for Site D. In such event, the budget of the Condominium Association will include the pro-rata per Unit maintenance assessment and reserve for replacements for this playground, estimated by Developer to be less than fifty cents (\$.50) per month per Unit. If other types of equipment or facilities are installed this estimate may change. If and when such a park is constructed the UHCBA will assume the obligation and expense of maintaining this park area within its budget. Site A will be asked to participate in the maintenance of the above park areas. However, it cannot be compelled to do so since its condominium documents do not contain a requirement for same as they were prepared before these park concepts were proposed.

The Developer has also constructed an open, grass-sprinklered recreation area within Phase 7 of Society Hill at University Heights III (in Site B) of approximately one-half of an acre in size. It contains a gazebo but no other recreation equipment or facilities. This area will be available only for the use of Unit Owners, their tenants and invited guests; and for unit owners of Society Hill at University Heights I, a Condominium (Site A), their tenants and invited guests. This area will not be available for use by the general public. Guest fees cannot be charged by the Association for use of this area by Site A owners, tenants or their invited guests. Use of the open recreational areas shall be subject to the rules and regulations adopted by the Association. The cost to maintain this open recreation area is the responsibility of the Association and is

within its maintenance assessment charges and budget. See Document 1.

There will be set aside fifteen (15%) percent of the total Units constructed in the Condominium for sale to qualified low and moderate income persons. Phases 1 through 14 contain a total of 30 of such Units. If the Developer fully expands the Condominium to the estimated 471 total Units, there will be a total of up to 71 income qualified Units. Owners of these Units will pay maintenance fees equal to one third of the maintenance fees the market rate Units will pay. These Units, at all times are subject to regulations and ordinances of the City of Newark, and the laws and regulations of the State of New Jersey, the Department of Community Affairs and the Council on Affordable Housing; all of which may change from time to time. See Document 13 and Section K. hereof.

All of the Units constructed within the Condominium will be entitled to real estate tax abatement as granted and administered by the City of Newark. Each Unit Owner must read, understand and fully comply with the Regulations and Ordinances of the City of Newark in order to retain the benefits of tax abatement. See Document 15 and Section R hereof, the latter of which summarizes certain, but not all, requirements and features of the tax abatement system. Buyers are urged to discuss tax abatement with their legal or other advisors and to understand same before they close title on their Unit.

A burglar alarm system will be installed in each Unit. The monthly license fee for this system is included in the maintenance assessment charges paid to the Condominium Association by each Unit Owner. Copies of the documents to be signed by Unit Owners or tenants for the burglar alarm service company to begin monitoring services are found in Document 17. Currently the City of Newark requires each burglar alarm to be registered with the Newark Police Department. Unit Owners must file all necessary papers and pay any required fees to do so.

For one year after closing of title on the sale of the first Unit in the Condominium (which closing occurred on or about January 22, 1991) an independent security guard company serviced the Condominium through an agreement with and at the expense of the Developer. Society Hill at University Heights I and Society Hill at University Heights II participated in sharing the expenses of the guard service. Thereafter, all 3 of the Society Hill at University Heights condominium associations (with Developer abstaining from any votes except while it subsidizes the cost of security) contracted with a security guard service company of their choice. The associations may eliminate the guard service from their respective portions of the Condominium complex at their election. If the guard services are continued in the future by the Association, its budget and the per Unit maintenance fees will continue to be adjusted accordingly. The guard services are contemplated to include the presence at the Condominium and the other Society Hill University Heights Condominium complexes of one security officer on either an 8, 16 or 24-hour per day, 7 days per week basis and possibly other services. The City of Newark is expected to continue its policy of supplementing the security guard's services with a City of Newark Police patrol in the University Heights area. The Developer is under no obligation to continue its voluntary subsidy of the cost of the guard service.

SECTION D. RELEVANT COMMUNITY INFORMATION

The Property is located in the City of Newark, Essex County, New Jersey, within two miles of Interstate Route 78, three miles of the Garden State Parkway, three miles of Interstate Route 280, three miles of the New Jersey Turnpike, two miles of passenger train service at Newark Penn Station and with intra-city bus available within a three block walking distance. Subway service is less than one half of a mile from the complex.

Within one city block of the Property is the Essex County Jail, Administrative Offices and Courthouse Complex.

Newark International Airport in Newark is approximately two miles from

the Property. Kennedy International and LaGuardia Airports are within thirty and thirty-five miles of the Property, respectively.

Hospitals within the City of Newark include University of Medicine and Dentistry of New Jersey, a public teaching hospital located in the University Heights area, Columbus Hospital, St. Michael's Medical Center and United Hospital Medical Center.

Children who are permanent residents of the Condominium would, under current school districting, attend Warren Street Elementary School for grades K-8, located at 200 Warren Street. Upon graduation from the Warren Street school, children would attend Central High School located at 100 Summit Street. Developer makes no warranties as to current or future school districting.

The University Heights area, to the east of the complex is the home of: Essex County College, a two year community college with its primary facilities in the area; New Jersey Institute of Technology with all of its campus in the area; Rutgers - the State University (Newark). The University of Medicine and Dentistry of New Jersey is to the west of the complex. Also located within the area is the Newark Museum and the Newark Public Library.

The Property is served by the 17th Avenue Police station precinct and Fire Engine Company Number 7 which is located within six blocks. The city also provides a twenty-four hour emergency rescue service.

Houses of Worship in Newark include: Metropolitan Baptist Church, Israel Memorial African Methodist Episcopal Church, Church of the Lord Jesus Christ, Bethel Assembly of God, Mt. Pleasant Baptist Church, Christian Science First Church of Christ Scientist, Union Chapel of God and Christ, St. Matthews Holiness Church, Trinity United Methodist Church, Immaculate Heart of Mary, Russian Orthodox Church of Our Lady of Kazan, Beth David Jewish Center and Church of God and Saints of Christ.

Telephone Service shall be provided by Bell Atlantic Telephone Company, electricity and natural gas by Public Service Electric and Gas Company. Domestic water service shall be provided by the City of Newark City Water Department. Sewer service will be provided by the Sewerage Authority of the City of Newark. The burglar alarm system in each Unit will be provided and serviced by any independent entity. All Unit Owners will be billed individually for all utilities which service their Unit by the respective utility companies.

The Newark Star Ledger and most major New York metropolitan newspapers are available for home or mail delivery. All national network radio and television programs from New York are available to residents of Newark as well as New Jersey's public television. The local radio stations are: WPAT (Clifton); WHTZ (Secaucus); and WWDJ (Hackensack).

The City of Newark offers a variety of recreational facilities for all seasons and age groups as does the Essex County Park system. Branchburg Park is located approximately 2 miles from the development. The Meadowlands Sports Arena is approximately 7 miles north of the development.

There are plans being formulated by the City of Newark, New Jersey Institute of Technology and others to have a currently undefined area directly to the north of Society Hill at University Heights III made into a science park which will be the home of various exhibits and public facilities. It is possible that Warren Street may be made into a pedestrian walk or mall area and be closed to traffic.

SECTION E. RECREATION FACILITIES

The Developer has constructed common recreation facilities which include a swimming pool, a tot lot, a club house, two tennis courts and an open recreation area as discussed in Section C above.

The location of the recreation facilities is shown on the plan attached within Document 10 and is within an Exhibit to the Master Deed. The common recreation facilities will be available only for the exclusive use of unit owners within the Society Hill at University Heights condominium complexes, their tenants and invited guests, and will not be available for use by the general public. Use of common recreation facilities shall be subject to the rules and regulations adopted by the various Associations and the By-Laws, the Declaration of Covenants and Restrictions, and the Rules and Regulations adopted by the UHCBA. See Document 18.

SECTION F. OPERATION OF COMMON ELEMENTS

Society Hill at University Heights Condominium Association III, Inc. (the "Association"), a non-profit corporation to be organized under Title 15A of the New Jersey Statutes, will be responsible for the operation and management of the Common Elements and facilities. Subject to the Master Deed, Declaration of Covenants and Restrictions or other instruments of creation, the Association may do all that it is legally entitled to do under the laws applicable to its form of organization. The Association shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the residents of the community. The Association shall provide a fair and efficient procedure for the resolution of disputes between individual unit owners and the association, and between different unit owners, that shall be readily available as an alternative to litigation.

SECTION G. CONTROL OF OPERATION OF COMMON ELEMENTS

Subject to the provisions of the Master Deed Bylaws and Rules and Regulations of the Association, the control of the operation and management of the Common Elements (except for the recreation facilities operated and managed and controlled by the UHCBA) will be the responsibility of the Society Hill at University Heights Condominium Association III, Inc.

For those Owners who close title on Units in Phases 15 through 37, condominium association assessments were and will be due as of the date of closing and will be pro-rated to the date of closing. Prior to then, the Developer payed all expenses of the Common Elements within Site C and E and had the sole discretion to determine the method of maintaining and administering the Common Elements.

The governing body of the Association will be a Board of Trustees ("Board"), some of whom will be appointed by the Developer, and some will later be elected by the individual Unit Owners in accordance with the Bylaws of the Association. Initially, the Developer-appointed trustees represented the entire membership of the Board. Resident membership on the Board will comply with the New Jersey Condominium Act. Specifically, within 60 days of when Unit Owners other than the Developer own twenty five (25%) percent or more of the Units, the Unit Owners other than the Developer shall be entitled to elect two (2) of the seven (7) member Board. Within 60 days of when Unit Owners other than the Developer own fifty (50%) percent of the Units, the Unit Owners other than the Developer shall be entitled to elect three (3) of the members of the Board. Within 60 days of when seventy five (75%) percent of the Units have been conveyed to Unit Owners other than the Developer, the Unit Owners other than the Developer shall be entitled to elect all seven (7) or one hundred (100%) percent of the members of the Board. However, the Developer may retain at least one member of the Board so long as the Developer holds for sale in the ordinary course of business one or more Units in the Condominium. Also, when some of the Units in the Condominium have been conveyed to the purchasers and if no other Units are being constructed or offered for sale by the Developer in the ordinary course of business, the Unit Owners other than the Developer shall be entitled to elect all of the members of the Board. The Developer may surrender control of the Board of the Association prior to the time as specified, provided the Owners agree by a majority vote to

assume control. However, in no event shall the Developer retain control of the Board later than seven years from the date the Master Deed is recorded. As of the date of this Amended and Restated Offering Statement Unit Owners have elected 3 of the 7 members of the Board of Trustees.

SECTION H. PROPOSED BUDGET FOR OPERATION OF COMMON ELEMENTS

A copy of the 1995 budget for the operation and maintenance of the Common Elements at full occupancy (471 Units), as well as the amount set aside for replacement and reserves for the Common Elements as applied to each Unit as well as a similar budget based on the estimated average number of dues paying Units for the year 1995 of 363 Units are within Document 1. The Board prepares the annual budget of the Association prior to the beginning of each fiscal year. Estimated necessary reserves for certain repair and maintenance items are reviewed by the Board each year, adjusted as needed and included in each annual budget of the Association. While the Developer maintains a majority of representation on the Board, it shall post a fidelity bond or other guarantee acceptable to the New Jersey Department of Community Affairs ("DCA"), in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

Because condominium Unit Owners will receive the benefit of real estate tax abatement from the City of Newark, the New Jersey Community Service Act or any successor or similar laws are not expected to be applicable to this complex and the Association's budget will not be affected thereby.

SECTION I. SERVICE CONTRACTS

A Copy of the Condominium Association's current contracts with third parties for the management and maintenance of the Condominium are attached in Document 9. They include: a contract with E.W. Murray Associates, Inc. dated August 5, 1994 for the providing of management services; a contract with Carpenter Bennett and Morrissey, Esqs. signed on December 6, 1994 for the providing of legal services; a contract with E.W. Maintenance, Inc. for the providing of cleaning and common area maintenance; a contract commencing October 1, 1994 with Growing Concern, Inc. for the maintenance of the sprinkler system; a contract commencing November 1, 1994 with Landscape Maintenance Services, Inc. for snow and ice removal; a contract commencing November 1, 1995 with Advanced Waste Recycling, Inc. for handling of recyclables; a contract effective January 1, 1995 with Mauriello Disposal, Inc. for the handling and disposal of waste; and a contract effective October 20, 1994 with Landscape Maintenance Services, Inc. for the providing maintenance of landscaping and grass areas of the Condominium.

Attached at Document 17 are copies of the documents to be signed by all Unit Owners or their tenants related to the burglar alarm system installed in each Unit. There are no other proposed or actual management, service or other contracts or agreements affecting the use, maintenance, or access to all or a part of the development.

SECTION J. RELATIONSHIP BETWEEN DEVELOPER AND SERVICE AGENTS

E. W. Murray Associates, Inc., has contracted with the Association for management services. It performs similar management services for other projects or affiliates of the Developer as well as for other developers and other condominium associations.

SECTION K. MASTER DEED, BYLAWS AND CERTIFICATE OF INCORPORATION

A copy of the recorded Master Deed, its Amendments and the Bylaws and the filed Certificate of Incorporation for Society Hill at University Heights Condominium Association III, Inc. is attached as Documents 12, 2 and 3 respectively.

SECTION L. RESTRICTIONS ON OCCUPANCY, ALIENATION AND ALTERATION

Unit Owners must comply with the terms of the Master Deed, Association Certificate of Incorporation and its Bylaws, any rules and regulations which may be properly adopted by the Association as well as the documents which govern the UHCBA (See Document 18). The following is a summary of restrictions contained in the Master Deed and Association Bylaws relating to the occupancy of the Units, the right of alienation and the right of alteration of the Unit:

No part of the property shall be used for other than residential dwellings and the common recreational purposes appurtenant thereto. Nothing shall be done or kept in any Unit or Common Elements which will increase the rate of insurance of any other buildings or contents thereof applicable for residential use except in compliance with rules and regulations of the Association. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on any of the buildings or contents thereof or which will be in violation of any law. No waste will be committed in any of the Common Elements.

Unit Owners shall not cause or permit anything to be hung or displayed or placed on the outside walls, doors or windows of the building without the consent of the Board. No signs shall be permitted on the exterior or interior of any Unit. No Owner shall be permitted to install or have installed any window air conditioner, fan, heat pump, solar collector or similar cooling, heating and/or ventilating device in any window, door or other exterior opening of a Unit. No Owner shall be permitted to erect or have erected any fence, partition, wall, divider, or similar structure exterior to their Unit other than any such structure erected by the Developer. Residents may not store anything, including, but not limited to bicycles, barbecue grills, wood or garbage cans on Common Elements or Limited Common Elements, including, but not limited to porches, patios, and sidewalks except in compliance with Rules and Regulations of the Association. Residents shall not be permitted to use any barbecue grills of any types or descriptions in any Unit or on any of the Limited Common Elements or Common Elements, except those using electricity for power. For Units with garages, such garages are restricted to vehicular parking and storage that does not preclude use of the garage for vehicular parking; conversion of garage space to use as living space, bedroom space and/or office space and/or any use other than vehicular parking and storage, is strictly prohibited. For Units with lower level storage areas, such storage areas shall be limited to storage and recreational purposes not inconsistent with the use made of storage areas in traditional townhouse dwelling Units in general. Conversion of such storage areas to living or bedroom space is permitted subject to Board of Trustee approval of plans and compliance with applicable building codes. Conversion of such storage space to other uses including but not limited to office space is strictly prohibited. Each and every purchaser shall be required to execute a Specific Power of Attorney which shall be part of the deed conveying title of a condominium to the purchaser making the Developer the attorney-in-fact for the limited purposes described in the Master Deed and Bylaws.

No Unit shall be rented by the Owners thereof or otherwise utilized for transient or hotel purposes, which shall be defined as (a) rental for any period less than 180 days; or (b) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry or linen and bellboy service. No Unit Owner may lease less than an entire Unit. Owners of low or moderate income affordable Units may be subject to other limitations on renting of same all pursuant to New Jersey laws and rules and regulations of the New Jersey Council on Affordable Housing ("COAH"), Department of Community Affairs ("DCA") and the City of Newark. Other than the foregoing obligations, all Unit Owners (including Developer or its affiliates) shall have the right to lease same provided that the terms of the lease are subject to all provisions of the Master Deed; Bylaws of the Association; the Rules and Regulations of the Association, COAH, DCA and the City of

Newark, if applicable; New Jersey State Law and the Condominium Act of the State of New Jersey.

Regarding the assessment of the pro rata Unit share in the expenses of administration, maintenance and repair of the Common Elements, the Master Deed specifically states that upon the sale, conveyance, or other lawful transfer of title to a Unit, all unpaid assessments, charges and expenses chargeable to the Unit shall first be paid out of the sales price or by the acquirer in preference to any other assessments or charges of whatever nature except the following: (a) assessments, liens and charges for taxes past due and unpaid on the Unit and (b) payments due under bona fide mortgage instruments, if any, duly recorded. The acquirer of a Unit shall be jointly and severally liable with the original Owner of that Unit for the amount owing to the Association up to the time of the transfer of title without prejudice to the acquirer's right to recover from his predecessor of the amount paid by him as such joint debtor. The Association shall provide for the issuance of and issue to every acquirer, upon his written request, a statement of such amounts due by his predecessor and the acquirer's liability under this covenant shall be limited to the amount as set forth in said statement.

No Owner shall make any structural modifications or alterations within a Unit without the written consent of the Association or its duly authorized representatives, and no act shall be done under any circumstances which does or may tend to impair the structural integrity of any of the buildings or adversely affect any of the Common Elements. Nothing herein shall be construed to prohibit the reasonable adaptation of any Unit for handicapped use.

All multiple dwellings, even if they are under a condominium or cooperative form of ownership, are subject to the Hotel and Multiple Dwelling Law (N.J.S.A. 55:13A-1, et. seq.). The Association is considered as the owner for purposes of this law and is responsible for the abatement of all violations which it has the power to abate and for payment of registration and inspection fees. Unit Owners are required to abate violations within their Units.

If a penalty is assessed against an Owner of a Unit, it is a personal debt of the Owner. It is not a lien against the building unless a court judgment on the penalty has been obtained. The Bureau of Housing Inspection, which administers the Hotel and Multiple Dwelling Law, gives every new Owner an opportunity to correct existing violations without penalty and only imposes a penalty after the new Owner has been notified of the violations, been given an opportunity to abate them, and has failed to do so.

Up to 71 (or 15%) of the total Units constructed by Developer will be predesignated by Developer, constructed and sold under terms that comply with the "set aside" provisions in the Contract of Sale as well as the ordinances and rules and regulations which have been or may be adopted by the City of Newark, DCA, COAH and New Jersey Laws ("Affordable Units"). These rules, regulations, ordinances and laws may change at any time. In regard to the Affordable Units, a copy of the current Declaration of Covenants, Conditions and Restrictions and DCA's Administrative Manual for Owner and Renters are attached as Document 13. Also see the Exhibit I to the Master Deed. The following is a summary of selected current restrictions which apply only to the Affordable Units in the Condominium.

For a period of ten (10) years (which may be extended if regulations are amended) from the date of issuance of the initial Certificate of Occupancy, each of these Affordable Units shall only be occupied by families of low or moderate income as defined by COAH or DCA and New Jersey law and may not be sold for a purchase price which is greater than the purchase price then permitted by New Jersey law, COAH or DCA. Owners of the Affordable Units cannot increase the resale price of their Units by the installation of improvements to their Units. New Jersey and City of Newark laws and regulations establish guidelines for administration of these Units. The above laws, ordinances, regulations and the Contract establish a series of priorities as to which persons shall be offered rights of

refusal to purchase the Affordable Units and/or the fair market residential Units in the Condominium. A copy of the Second Repurchase Mortgage, Second Repurchase Mortgage Note and Affordable Housing Agreement to be executed and signed by all owners of Affordable Units is attached within Document 13.

Owners of the Affordable Units are entitled to the identical rights, privileges and have the same duties and obligations as all other Owners except that the Owners of Affordable Units will pay one-third of the total individual Unit assessment which would have been levied upon all Units in the Condominium had such assessment been allocated equally to every Unit in the Condominium. There shall be no restrictions or limitations upon the ability of the owners of the Affordable Units to fully participate in the affairs of the Association. They shall have equal voting privileges and be able to hold offices in the Association as any other Unit Owners. The City of Newark through the Department of Development, the New Jersey DCA and COAH are responsible for monitoring and enforcing the terms of the provisions for low and moderate income Units.

SECTION M. BARGAIN AND SALE DEED WITH COVENANT AS TO GRANTOR'S ACTS

A Copy of the Bargain and Sale Deed with Covenant as to Grantor's Acts (the "Deed") which will be delivered to the purchasers evidencing their interest in the development is attached as Document 4. A copy of the Deed to purchasers of the Affordable Units evidencing their interest in the Condominium is attached as Document 5.

Each and every purchaser shall be required to execute a Specific Power of Attorney which shall be part of the Deed conveying title to a Unit to them. It will make the Developer the Attorney-in-Fact for the limited purposes described in the Master Deed and Bylaws.

SECTION N. DOWNPAYMENTS AND DEPOSITS

All monies paid to the Developer prior to closing of title shall be held by it in "K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC." Deposit Escrow Account in Midlantic National Bank, 499 Thornall Street, Edison, New Jersey 08818. Escrow Agent: Douglas G. Paul, Vice President. These monies will be held in escrow until closing or termination of the Purchase Agreement. The Developer may obtain the release of escrow monies before then upon the posting of a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs ("DCA Guarantee"). In no event shall the escrow be released prior to the expiration of the seven day rescission period referred to in the "Foreword" of this Public Offering Statement.

If Developer posts a DCA Guarantee the Developer will have the use of any monies so released and is not required to account to any purchasers for such use. The release from escrow does not relieve the Developer of its responsibilities respecting deposit monies arising by applicable law or regulation. In the event a purchaser is entitled to properly terminate his or her Purchase Agreement as per the terms of same, the Developer will be obligated to return to the purchaser all deposit monies previously paid, despite its previous release to the Sponsor. When the transaction contemplated by the Purchase Agreement proceeds to a closing, the Developer will be required to credit the purchaser on the closing statement for any deposit monies so released.

In the event of a failure by or inability of the Developer to convey title as set forth in the Purchase Agreement, all deposit monies shall be returned to the purchaser, without interest. Upon making said reimbursement, all liability of Developer to the purchaser shall terminate.

The Developer is seeking to limit the number of non-owner occupied Unit purchasers to 20%. Purchasers who will not occupy the Unit as their primary residence are required to deposit 20% of the total purchase price at time of Purchase Agreement execution, while Purchasers who will occupy the Unit as their primary residence will deposit 10% of the total purchase

price at Purchase Agreement execution. Developer reserves the right, in its sole and exclusive discretion, to refuse to offer the Unit for sale to non-owner occupant Unit purchasers.

SECTION O. TITLE INSURANCE POLICY

Attached as Document 16 is a copy of a sample proposed title insurance policy containing all exceptions which is available to Unit purchasers. The inclusion of the attached sample proposed title insurance policy is not to be construed as an offer to the public on the part of the Developer for sale of any title insurance for the proposed development. The title insurance is presently issued by Eastern Title Agency, Inc., One Industrial Way West, Building D, Eatontown, New Jersey 07724, an agent for First American Title Insurance Company, amongst others. Eastern Title Agency, Inc. is a corporation which is affiliated with the Developer. This representation is not made in order to induce the purchaser or prospective purchaser of any Unit or interest in the development to purchase title insurance from any title insurance agency or company. The cost for title insurance and any accompanying cost for searches or other fees will be paid by the Unit purchasers.

SECTION P. ENCUMBRANCES, EASEMENTS, RESTRICTIONS & ZONING

The terms and conditions of the Master Deed and Bylaws of the Association are restrictions on the use of each Condominium Unit. The By-Laws, Declaration of Covenants and Restrictions and any Rules and Regulations of the UHCBA are restrictions on the use of portions of the Condominium's Common Elements.

Easements have been granted or are intended to be granted prior to completion of Condominium to one or more of the following entities servicing the development; The UHCBA, The Developer and its Affiliates, New Jersey Bell Telephone Company, Public Service Electric and Gas Company, the City of Newark, Essex County and the burglar alarm servicing company who will service the burglar alarm system installed in each Unit. An easement will also permit the installation, maintenance, repair of, and access to, equipment for the receipt, transmission and distribution of cable television throughout the project to Unit Owners, although not through an agreement with Association. Unit Owners must contract for cable or satellite television with the one or more entities who will service the Condominium. Satellite or Cable Television may or may not be available at the time the initial purchasers close title to their Units.

In addition, as set forth above in Section K of this Public Offering Statement, the Affordable Units are subject to the "set-aside" provisions for low and moderate income persons. Purchasers of Affordable Units will be required to execute a Second Repayment Mortgage Note, a Second Repayment Mortgage and an Affordable Housing Agreement which will be a lien on all such Units. See Document 13.

A construction mortgage may exist on the property which will finance the construction of the entire project. Upon closing of title to each individual Unit, the lien of such mortgages will be released and cancelled of record as to the particular Unit out of the proceeds of sale. Each purchaser has the opportunity to obtain title insurance protecting his particular fee simple ownership interest in his Unit.

The property which is the subject of this development is within the University Heights Redevelopment Plan area. The University Heights Redevelopment Plan and the Zoning Ordinance of the City of Newark govern zoning. The use and zoning of adjoining lands is as follows:

Site B (Phases 1 through 14):

a) West - (Richmond Street, a public roadway) zoned I1, First Industrial District and B2 and B4, Second and Fourth Business Districts. Present use is vacant land owned by the Newark Board of Education and the

Marcus Garvy School, residential and commercial buildings.

b) South - (Thirteenth Avenue, a public roadway) University Heights Redevelopment Plan area Site A. Present use is for residential townhouses known as Society Hill at University Heights I.

c) East - (Wickliffe Street, a public roadway) B4, Fourth Business District. Present use is for the Essex County juror enclosed parking deck.

d) North - (West Market Street, a public roadway) University Heights Redevelopment Plan area Site E. Current uses are for residential, commercial and vacant lots. Future use as zoned will be townhouse residential as an extension of Society Hill at University Heights III.

Site E and C (Phases 15 thru 37):

a) West - (Norfolk Street, a public roadway) zoned B4, Fourth Business District. Present use is for public and other housing.

b) South - (West Market Street, a public roadway) zoned B2 and B4, Second and Fourth Business District and, East of Norfolk Street, the University Heights Redevelopment Plan area Site B. Present uses are vacant land owned by the Newark Board of Education, retail businesses and residential townhouse.

c) East - (Wickliffe Street, a public roadway) zoned B2, Second Business District South of Academy Street and, North of Academy Street zoned R3, Third Residential District. Present use on the East side of Wickliffe Street is for Essex County College and Essex County Vocational School campuses. Also on the West side of Wickliffe Street a school building and a warehouse building will remain.

d) North - (Warren Street, a public roadway) zoned B2, Second Business District and R3 third residential district. Present use is for the New Jersey Institute of Technology campus and some residential wood frame structures on the North side of Warren Street. A church building will remain on Warren Street's South side. The City's future plans for this area are for a science park area as discussed in Section D hereof.

The above adjacent uses and zoning classifications may be changed without notice and are beyond Developer's control.

Unit Owners and their tenants in Society Hill at University Heights I (Site A) have an easement over the Common Elements so they may use the open recreation area created by Developer within the Site B portion Society Hill at University Heights III. Unit owners and their tenants in Society Hill at University Heights I and Society Hill at University Heights II have an easement over the Common Elements so they may use the recreation facilities which are intended to be constructed in the Site E and C portions of Society Hill at University Heights III.

The Condominium is being constructed on land acquired by the Developer from the City of Newark pursuant to a "Redevelopment Contract". All such contracts contain "reversion" clauses. The relevant clause provides that the Developer must commence construction on each parcel of land no later than thirty (30) days after it purchases same; that it must complete the construction of one-half of the total number of Units to be built on each parcel of land no later than eighteen (18) months after the Developer takes title to same and that all of the construction of all Units and related improvements to be built on each parcel of land are to be completed within thirty (30) months after Developer takes title to same. If the Developer does not comply with the above, the City of Newark could petition a court for an order which would cause ownership of that portion of the land on which construction was not completed to "revert" to the City. Developer estimates that the risk of a reversion of any land to the City of Newark is very remote given the estimated construction completion dates set forth in Section C above. In the past during slow periods of sales the City of Newark has extended these time frames as required. However, if such a

reversion were to occur, the City is obligated to grant a perpetual easement to Owners and lessees of Units then existing so as to assure ingress and egress and supplying of utilities to those Condominiums. If such a reversion were to occur, the City and subsequent owners of the land assume no duty or obligation to complete any uncompleted Phases of the Condominium. Completed Phases of the Condominium will remain unaffected by any reversion.

SECTION Q. ADVERSE NATURAL FORCES

Elevated radon levels have recently been discovered in homes and other structures which have been tested in New Jersey. Radon is a naturally occurring colorless, odorless and tasteless gas formed underground by decaying radium. The gas, which usually rises to the surface and dissipates harmlessly in the open air, can reach elevated levels if trapped in well insulated or poorly ventilated areas. Prolonged exposure to elevated concentrations of radon and its progeny have been associated with increases in the risk of lung cancer.

In 1989, the New Jersey legislature passed a law concerning radon mitigation construction standards. The law required that the New Jersey Department of Community Affairs ("DCA") establish adequate and appropriate standards to ensure that residential buildings within tier one areas are constructed in a manner that minimizes radon gas entry and facilitates any subsequent remediation that might prove necessary. Tier one identifies radon prone areas based upon geologic features and includes some or all municipalities in nine (9) of New Jersey's twenty-one (21) counties.

In 1990, the DCA adopted a Radon Hazard Subcode establishing radon mitigation construction standards in accordance with the 1989 law. These regulations set forth specific construction techniques which must be used in tier one municipalities, including this development. The Developer is complying with these regulations in the construction of the homes in this development. The law further provides that no one who constructs a residential building in compliance with these standards shall thereafter be held liable for the presence of radon gas in the home or for any resultant losses or damages to persons or property.

The levels of radon which occur within any particular home are very dependent upon many factors which are unique to the unit, the time of year and even the lifestyle of the people living within the home. It is not possible to obtain readings of radon levels while a home is under construction which would be reliable indicators of levels of completed, occupied homes. Purchasers shall not be permitted to take measurements prior to closing.

Other than as set forth above, the Developer is unaware of any natural forces which would adversely affect, on a regular basis, the use and enjoyment of the property.

SECTION R. MAN-MADE FORCES

Historically the University Heights area was a mix of residential and commercial uses, the latter primarily located on West Market Street, South Orange and Springfield Avenues. As is its normal practice, before the Developer buys or commences construction on any land, it performs various tests on the soils on which a complex will be constructed. During this process throughout the University Heights area the Developer and its affiliates have found buried underground storage tanks. These were usually empty or contained remnants of petroleum hydrocarbon products, usually in the form of heating fuels. Additionally, construction debris from the City's demolition activities over the last 25 years was commonly found. All such materials and other chemicals which were found were removed and disposed of outside of the City of Newark whenever they were encountered in the past. Developer will perform similar tests to the property within all Phases of Society Hill at University Heights III before construction begins on those Phases and will perform similar remediation activities. Reports

prepared by the environmental professionals retained by Developer for these tests and this work will be made available upon request to the Sales Office.

The Developer is unaware of any other man-made forces which would adversely affect, on a regular basis, the use and enjoyment of the property. Developer will not use Fire Retardant Treated Plywood products in the construction of Society Hill at University Heights III, a Condominium.

SECTION S. EXISTING & ESTIMATED REAL ESTATES TAXES

On behalf of Unit Owners for all of Society Hill at University Heights III, the Developer has or will enter into a series of 30 year real estate tax abatement Financial Agreements with the City of Newark pursuant to provisions of New Jersey State laws, the Developer's contract with the City of Newark and the Redevelopment Plan for University Heights dated March 3, 1986, as amended. The first Financial Agreement for Society Hill at University Heights III covers Phase 1 through 14. One or more similar if not identical agreements will be entered into to cover later Phases as they are added to the Condominium. Under these agreements for each of the first ten (10) years that tax abatement applies to a Unit, owner-occupants of Units shall pay:

1. A predetermined annual fixed sum equal to two (2%) percent of the value of their Units as stated in their Unit Deeds (ie: 2% of what they paid for their Unit.); and

2. After the first year that tax abatement applies to a Unit, if the real estate tax levy in general is increased in the City of Newark, the annual tax abatement payments for each Unit will also increase by an equal percentage of the prior years tax abatement payment amount (ie: If the total real estate tax levy in the City goes up in year 2, so will the abated taxes by like percent in year 3.); and

3. An Annual Administration Fee equal to two and one half (2.5%) percent of the two percent of value figure will also be paid by Unit Owners to the City of Newark to defray its cost of administering the tax abatement program (ie.: For example, if tax abatement charges are \$2000 per year, the 2.5% administration fee for that year is \$50.00).

4. Owners will receive a separate real estate tax bill each year based on the value of the owners individual percentage interest in the land on which the complex is constructed and four separate tax abatement service charge bills computed based on paragraphs 1, 2 and 3 above. Each of these bills must be paid by the first of February, May, August and November. If all of these bills are paid in full and on time for each year, then the Owner will receive a credit against the tax abatement bill for the first calendar quarter of the following year for all land only taxes paid in the preceding year. (This means that Unit Owners must be sure to pay (or have their bank pay) all taxes on time so that Owner's total yearly taxes will be computed based on paragraphs 1, 2 and 3 and receive the credit discussed in paragraph 4 above.) If these bills are not paid on time the total taxes will, in effect, be \$250 to \$450 + higher. Furthermore, IF THE ADMINISTRATIVE FEE AND ALL OTHER TAXES ARE NOT PAID TIMELY BY UNIT OWNERS, THE BENEFITS OF TAX ABATEMENT MAY BE FORFEITED FOREVER AS TO THE APPLICABLE UNIT.

5. Non-resident Unit Owners will also have a 30 year tax abatement with their payments equal to those of owner-occupants plus an additional one (1%) percent.

6. Current City of Newark Ordinances require that no more than forty-nine (49%) percent of the Units in the Condominium complex be owned by "investors" (i.e., other than owners who occupy their Units). Any investor purchasing a Unit which causes this 49% figure to be exceeded will not have the benefits of tax abatement. The tax abatement regulations require all Unit leases be recorded by the Essex County Register and the Newark City

Clerk.

7. In the eleventh year of tax abatement and thereafter at 5-year intervals, the City of Newark can decide to maintain the use of the original tax abatement formula above or to adjust it by use of the formula permitted and defined under the applicable State statute, as may be amended; i.e., twenty (20%), forty (40%), sixty (60%) or eighty (80%) percent of the real estate taxes otherwise due on the value of the land and improvements, whichever is greater, at the beginning of the eleventh (11), sixteenth (16), twenty-first (21) and twenty-sixth (26) year tax abatement applies on each Unit respectively.

8. The final version of the tax abatement Financial Agreement for Phases 15 through 36 as approved by the Newark City Council may differ from the above summary or the Phase 1 through 14 Financial Agreement contained in Document 15. The Financial Agreement(s) applying tax abatement to the future Phases will be executed and recorded by the Developer as an Amendment to the Master Deed. Requests for copies can be made to the Sales Office. The City of Newark will administer the tax abatement program through its Department of Tax Abatement and Special Taxes. Unit Owners are cautioned that they should review all tax abatement related bills issued by the City of Newark when they are received to determine their accuracy and to be sure that they (or their mortgage lender) pay all bills when they are due.

The tax abatement system and formulas are very complex. You must understand them fully before you contract to purchase and before you close title on a Unit. Questions or problems should be directed to your attorney and the above city office, not to the Developer or its sales people or the management company hired by the Condominium Association.

SECTION T. SPECIAL TAXES AND ASSESSMENTS

The Developer is unaware of any projected special taxes or municipal assessments which might affect the Development. In the event that there are such special assessments or taxes levied and to be paid prior to closing, it will be the responsibility of Developer to satisfy them, and if levied or to be paid subsequent to closing, it will be the responsibility of the Owner of the Unit against which such assessments are levied to pay them.

SECTION U. CLOSING COSTS CHARGED BY THE DEVELOPER AND PAYABLE BY THE PURCHASER

A survey certification, if requested by the purchaser will be the only closing cost which the Developer will charge directly to the purchaser. It will be furnished by Richland, Lupo, and Pronesti or another licensed professional engineer for a sum not to exceed \$75.00 payable at closing. The purchaser shall also be responsible for all title insurance, property insurance, escrow funds, as well as any appraisal and inspection or other fees that may be required by any lending institution selected by the purchaser. The purchaser shall also be responsible for adjustments for real estate taxes or tax abatement charges, municipal assessments, maintenance fees, utilities, water and sewer charges, and advance payments or security deposits required by any utility companies. At the closing the Developer will collect on behalf of the Condominium Association a non-refundable, non-transferable membership fee for the Association to be used as a contribution to the working capital of the Association in an amount equal to three (3) months of the then annual maintenance fee. On resales of Units, the Association will obtain a similar membership fee payment from the new Unit Owners based on the then current maintenance fee payment amount.

SECTION V. WARRANTIES

The Developer will be a member of an approved warranty program under the New Home Warranty and Builders' Registration Act. This program

provides the purchaser with a written warranty, insurance which backs the Developer's warranty coverage on major structural defects. Under the program the Developer warrants against defects caused by faulty workmanship or materials due to non-compliance with the warranty program's approved standards for the first year of the program. The Developer's warranty continues for the second year to protect against defects in wiring, piping and duct work and electrical, plumbing, heating and cooling systems, and against major structural defects. In the event the Developer cannot or will not perform his warranty obligations, a national insurance company assumes these responsibilities and also insures the purchaser against major structural defects during the final eight (8) years of the ten (10) year warranty program.

In addition to the above mentioned warranties, the Developer further warrants the following as required by the Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-21 et seq. that: (i) the Unit will substantially conform to the description, plans or model (if any are available for inspection) and which were used in the inducement to the purchaser to enter into the contract to purchase the Unit; (ii) the common facilities will substantially conform to their description contained in any advertising literature; (iii) the construction of the common facilities will be free from defects due to faulty material or workmanship for a period of two (2) years from the date each of them are completed, and that the Developer will repair or correct any defect in construction, material or workmanship in the common facilities within a reasonable time after notification of the defect if such notice of the defect is given to the Developer within the two (2) year period; (iv) the common facilities are fit for their intended use; (v) outbuilding, driveways, walkways, patios, retaining walls and fences, if any, will be free from defect due to material and workmanship for a period of one (1) year from date of possession or closing, whichever occurs first; (vi) all drainage is proper and adequate; (vii) all off site improvements installed by Developer, if any, will be free from defect for a period of one (1) year from the date of construction; and (viii) all lots, parcels, Units or interest are fit for their intended use. The above warranties will constitute the sole obligation of the Developer to purchasers and Unit Owner with respect to the Common Elements and common facilities, if any. While the Developer maintains control of the Board, it shall take no action which adversely affects Unit Owner's rights under N.J.A.C. 5:25-5.5. Claims relative to defects in Common Elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

SECTION W. OTHER DEVELOPMENTS

OTHER DEVELOPMENTS

Shadow Lake Village	952 Homes	Covered Bridge	1557 Homes
Covered Bridge II	274 Homes	Old Bridge	382 Homes
Society Hill	408 Homes	Shadow Lake Village	366 Homes
Hovnanian at Galloway	180 Homes	S.H. at Lawrence Circle	100 Homes
S.H. at Lawrenceville	440 Homes	East Brunswick	414 Homes
Lincoln Park	344 Homes	East Brunswick II	340 Homes
Somerset	264 Homes	S.H. at Hamilton I	432 Homes
East Brunswick III	368 Homes	East Brunswick IV	51 Homes
Piscataway	545 Homes	Galloway II	316 Homes
Lincoln Park II	276 Homes	Somerset II	346 Homes
S.H. at Bernards I	444 Homes	Club III(Galloway)	388 Homes
Mattix Crossing	240 Homes	S.H. at Bernards II	368 Homes
Lawrence Square	438 Homes	Lawrence Square II	382 Homes
S.H. at Galloway	306 Homes	Vanderhaven Farms V.I	345 Homes
S.H. at Kilmer Woods I	414 Homes	Tinton Falls	97 Homes
S.H. at Somerset III	574 Homes	S.H. II at Galloway	490 Homes
S.H. at Tinton Falls	387 Homes	Governor's Pointe	500 Homes
S.H. at Kilmer Woods II	466 Homes	S.H. at Hamilton II	400 Homes
Beacon Hill at			
Vanderhaven Farm	410 Homes	Governor's Pointe V. II	500 Homes
Beacon Hill at Somerset	474 Homes	S.H. at Branchburg	232 Homes
S.H. at Kilmer Woods V. III	366 Homes	Nob Hill at Piscataway	130 Homes

S.H. at Galloway III	174 Homes	S.H. at Somerset VI	400 Homes
Nob Hill at Somerset	204 Homes	S.H. at Jersey Twp. I	600 Homes
S.H. at University Heights	168 Homes	S.H. at University Heights II	420 Homes
S.H. at University Heights III	490 Homes	Nob Hill at Branchburg	21 Homes
Cedar Brook	250 Homes	Woods at Marlboro	247 Homes
Mountainview Farm at Branchburg	172 Homes	Princeton Crossing at Plainsboro	54 Homes
Paddington Square at Mahwah	510 Homes	Highgate Manor	303 Homes
Ashford Manor	104 Homes	Hunting Hills at Montville	100 Homes
Jade Mountain	100 Homes	Allaire Manor	102 Homes
Stonebridge at Wayne	280 Homes	Penny Lane at Toms River	98 Homes
Sunrise at Hanover	102 Homes	Forest View at Westchester	172 Homes
Wynnefield at Somerset	402 Homes	Glenbrooke	455 Homes
Hidden Meadows	328 Homes	Princeton Crossing II	108 Homes
Franklin Crossing	199 Homes	Stonebrooke at Wall	52 Homes
The Orchards at Holmdel	448 Homes	Milwin Farm	26 Homes
Country Meadow Estates	266 Homes	Montclair Mews	89 Homes
Baker Mills	86 Homes	Brooks Crossing	194 Homes
Bay Point at Jersey City II	164 Homes	Cherry Crest Farms	35 Homes
Cove at Gardner's Basin	198 Homes	Drake's Mills	383 Homes
Greenway at Ramapo	58 Homes	Horizon Heights	26 Homes
Lake Cushetunk Woods	120 Homes	Vizcaya Estates	48 Homes
The Links II at Valleybrook	132 Homes	Medford Mews	96 Homes
Santa Fe	229 Homes	Klockner Farms	7 Homes
S.H. at Jersey City II	264 Homes	Spring Ridge	311 Homes
Town and Country Estates	18 Homes	Waters Edge	67 Homes
Villages at Princeton Crossing	136 Homes	Radcliff Village	83 Homes
Almadera Estates	46 Homes	Boulder Ridge	54 Homes
Birchwood Hills	240 Homes	Four Seasons	431 Homes
Windsor Farm	38 Homes	Hickory Ridge	116 Homes
Lake Cushetunk Executives	131 Homes	Campbell Woods	50 Homes
Moss Mill Hollow	171 Homes	Lake Cushetunk Village	266 Homes
Woodbury Oaks	128 Homes	Parkside Estates	87 Homes
Cherry Ridge	41 Homes	Country Village	160 Homes
Franklin Heights	420 Homes	Crystal Springs	699 Homes
Eagle Ridge	39 Homes	Reservoir Ridge	80 Homes
Blanchards Landing	183 Homes	Carriage Stop	160 Homes
The Hills/Long Meadow	82 Homes	Woodcliff	286 Homes
Cronheim/Stratton Meadows	487 Homes	Geary's Ridge	47 Homes

SECTION X. PURCHASERS RIGHT TO CANCEL

THIS PUBLIC OFFERING STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY. PURCHASERS SHOULD ASCERTAIN FOR THEMSELVES THAT THE PROPERTY OFFERED MEETS THEIR PERSONAL REQUIREMENTS. THE NEW JERSEY DIVISION OF HOUSING AND DEVELOPMENT HAS NEITHER APPROVED NOR DISAPPROVED THE MERITS OF THIS OFFERING.

YOU HAVE THE RIGHT TO CANCEL ANY CONTRACT OR AGREEMENT FOR THE PURCHASE OF ANY LOT, PARCEL, UNIT OR INTEREST IN THIS DEVELOPMENT, WITHOUT CAUSE, BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER OR HIS AGENT BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH THE CONTRACT OR AGREEMENT IS EXECUTED. SUCH CANCELLATION IS WITHOUT

PENALTY AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED.

BE SURE TO READ CAREFULLY ALL DOCUMENTS BEFORE YOU SIGN THEM.

SECTION Y. INSURANCE

Prior to the conveyance of the first Unit, the Association shall obtain and thereafter will maintain the following: (1) fire insurance with a broad form fire and extended coverage, vandalism and malicious mischief endorsements, insuring all the buildings containing the Units and Common Elements therein (less any deductibles which shall be paid by the Association as a common expense) together with all central utility and other service machinery contained therein, and all buildings, fixtures, equipment, and personal property owned by the Association, in the amount determined by the Board to be equal to replacement value. All such policies shall provide that in the event of a loss or damage, the proceeds of said policy or policies shall be payable to the Board or to its designee as an insurance trustee on behalf of all of the Unit Owners, and mortgagees of Units in the damaged buildings. The insurance trustee shall be obligated to apply those proceeds in conformity with the Master Deed and Bylaws' provisions relating to damage to buildings, reconstruction, sale and obsolescence of the Condominium. Each of said policies shall contain a standard mortgagee clause in favor of each mortgagee of a Unit and shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its respective interest may appear, subject however, to the right of the Board or its insurance trustee, to receive said proceeds to be applied to repair or reconstruction as provided in the Master Deed and Bylaws; (2) workmens' compensation; (3) public liability insurance insuring the Association and its members against liability for any negligent act of commission or omission attributable to the Association, its employees or any of its members and which occurs on or in any of the Common Elements of the Condominium or the community or recreational facilities of the Association, if any; (4) burglary, theft, and such other insurance as will protect the interest of the Association and its employees; and (5) liability insurance indemnifying the Board and officers of the the Association against liability for errors and omissions occurring in connection with the performance of their duties in an amount of at least \$1,000,000.00 with any deductible amount determined in the sole discretion of the Board, taking into consideration the guidelines recommended by the Community Association Institute or other similar agency.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units.

The Board will determine the amount of insurance sufficient to insure the Common Elements, personal property owned by the Association, central utility and other service machinery contained in all buildings as well as all buildings, fixtures, and equipment, subject, however, after Board determination, to approval of all first mortgagees having mortgage liens upon Units contained in said buildings.

During the building of the Condominium, the Developer will obtain builder's risk insurance which will cover any and all possible risks to the buildings of the Condominium, including, but not limited to, their destruction due to any means, vandalism, flood, fire, earthquake as set forth in AIA general conditions. Also, before the Association assumes the responsibility of this section, Developer will carry all other insurance coverage specified in AIA general conditions in the amount necessary to insure the interest of the mortgagee and all interested parties.

Unit Owners are urged to obtain property or other insurances for their

own account and for their own benefit. However, no Owner will insure any part of the Common Elements whereby, in the event of loss, the right of the Association to recover its own insurance proceeds for such loss in full will be diminished in any way.

It is recommended that Unit Owners carry the following liability and hazard insurance, and in addition thereto, obtain any other policies of insurance deemed appropriate by the purchaser:

1. Condominium Owner's Policy with Worker's Compensation coverage;
2. Fire and Theft Policy; and
3. "Floater" or added coverage on jewelry, other valuable personal property and collectibles, and furs.

A letter from an insurance agency regarding the adequacy of the proposed insurance for the Association is attached as Document 8.

SECTION Z. OTHER INFORMATION

The models, if any, and sales office are anticipated to be located at or near the property. The sales office may not be in a "model" of the units herein offered and, therefore, the sales office may not reflect the high level of workmanship and quality of those Condominium Units to be built in the Development. Sales representatives of the Developer will be available at the Sales Office to distribute literature regarding the Condominium and to answer your questions.

Any model or sample units may have decorator effects and upgraded optional features including, but not limited to, wall and door mirrors, fireplaces, appliances, furnishings, light fixtures, floor and wall coverings, special paint and trim. These have been added to display the variety of possible additional features offered by the Developer for an additional cost or which are available from other sources and to provide the feeling that the model or sample unit is an occupied home.

The actual Units to be sold will be built to the following standards:

1. All floor coverings are included with the home and are:
 - a. Standard carpet on 5/16" polyurethane foam pad (all bedrooms, hall, dressing room, living and dining areas and appropriate closets). All carpeted areas shall be one color. All standard carpet colors and standard padding may be viewed along with optional upgrade carpeting and pad in the Selection Area of the sales office ("Selection Area"). Indoor-outdoor carpeting which may be seen in an around any models is not included.
 - b. Kitchens, some foyers, powder rooms, laundry areas and appropriate closets shall be covered in vinyl composite tile. Affordable Housing Units will also have vinyl composite tiled floors in bathrooms, dressing and laundry areas. For the THG1701 model only, the flooring will be as follows: kitchens, linoleum; foyers, linoleum; powder rooms, ceramic tile; and laundry areas vinyl composition tile. Optional and upgrade floor coverings or changes to the above standard floor coverings may be viewed in the Selection Area.
 - c. Floors in the garage and storage area levels which may be offered by Developer will be unfinished concrete and may be available with optional upgrade finish items. Salespeople should be consulted regarding current offerings and availability.
2. Master and main bath floors, part of walls and tub and shower surrounds in all Units except Affordable Units shall be ceramic tile. A shower enclosure door is standard for shower stalls. The standard vanity on display in the Selection Area is bone, off-white or almond. Medicine cabinets or mirroring above the vanity is standard.

3. The standard kitchen cabinet is on display in the Selection Area. Optional kitchen cabinets are available. Kitchen cabinet tops shall be selected by the purchaser from those choices offered.
4. Light fixtures included shall be kitchen and dining area fixtures, entrance foyer, hall, bath fixtures, lights at entrance, and in walk-in closets. Decorator fixtures are not included. (See all standard fixtures in the Selection Area.)
5. Walls shall be painted off-white. Woodwork shall be painted semi-gloss off-white. Garage Units shall have unfinished concrete block and/or sheetrock walls and sheetrock ceilings, taped, with one coat of taping compound. Garage ceilings will be sheetrocked, taped and spackled.
6. All windows and sliding doors include screens. Exterior treatment shall be brick or vinyl siding, at the option of the Developer as will be exterior color combinations. Depending on location within a given building, the floor plan may be delivered as the brochure floor plan is presented or as a reverse configuration. In order to provide variety in aesthetics, the Developer reserves the right to change within a building relative; elevations, stair and railing configurations, front building line setbacks, roof design, entrance coverings, trim, door and window styles and placements. The Developer will determine the model mix within any given building based on demand, aesthetics and efficiency of construction. The Developer will use cost efficient and advanced building techniques, including pre-fab wall panels, pre-fab mechanical systems and factory built modular units.
7. Common area landscaping includes seeded, hydro-mulched or sodded lawns and possibly other types of groundcover and retaining walls. Each set of buildings is individually designed on an overall basis with shade trees, foundation plantings and a variety of shrubbery, all of which shall be planted in their appropriate seasons (which may be after Units in a particular building are closed). Landscaping of any model building may not be typical. The Developer reserves the right to add or delete plans for Limited Common Elements such as fencing, retaining walls, steps and landscaping throughout the Property.
8. Included appliances are: a range hood, gas range and dishwasher. All other appliances are options or upgrades. Refrigerators, washers and dryers are available as options and will be installed when delivered. Central air conditioning is standard. Developer reserves the right to make packages of two or more appliances available at no cost options or only in groups for additional charges.
9. Units located on the ends of buildings may have an additional window or windows. Floor plan and room dimensions and related representations are approximate and may vary in construction.
10. All storage areas, if any, will be delivered with unpainted sheet rock, taped and with one coat of taping compound.
11. Zero clearance or other type of fireplaces are an option available in some Units and include a built-in glass door and screen.
12. Optional and upgrade items offered by the Developer are subject to price increases and availability. The only way to protect the price of such items is to order them and pay the amount due on order. Ordering early helps insure availability and helps in the orderly preparation of your Unit. Options and upgrades are offered at the discretion of the Developer. Options are not available in Affordable Units. Prices and availability may change without notice. Materials offered as standard, options or upgrades may be changed at the discretion of the Developer based on availability and cost. The Developer may substitute materials so long as the substituted materials are of equal or better quality, which determination shall be at the sole discretion of the Developer.
13. Decorator selections must be completed in a timely fashion by the Purchaser and within seven (7) days of the Developer's request that they be

completed. Developer reserves the right to make the decorator selections if Purchaser fails to do so or to declare the purchaser to be in breach of their Purchase Agreement. As mistakes are generated by change orders, changes are not allowed. Developer shall have the right to make substitution of materials, equipment, or make design changes whenever Developer finds it necessary or expedient in its absolute discretion, provided that such substitution or changes are of equal or better quality. It shall be the obligation of the Purchaser to know whether kitchen cabinets, counter tops, kitchen floors, carpeting, appliances or fireplace have been pre-selected due to the construction progress in the building. If upgrades or options have been pre-selected by Developer for specific Units, the purchaser of those Units agrees to pay for same.

14. In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your new home is furnished.

- a. The Developer installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between upper and lower floors of townhouse models.
- b. For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed thermo break equipped, thermal insulated units. Anti air infiltration measures taken include the installation of a sill seal.
- c. The manufactured thickness of the above types of insulation is as follows:

R-13 fiberglass batt	3 5/8"
R-11 fiberglass batt	3 1/2"
R-30 fiberglass batt	9"
R-5 Rigid foam perimeter foundation insulation	1" or greater

All R-Values are based upon information provided by the insulation manufacturers.

15. A copy of the most recent financial statement of the Developer is available in the sales office for the public's inspection.